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FM AMEMBASSY BRATISLAVA

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C O N F I D E N T I A L BRATISLAVA 000207

SIPDIS

STATE FOR EUR/CE L. LOCHMAN AND K. ERTAS

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TAGS: PGOV KCOR SENV LO

SUBJECT: FICO SACKS SLOVAK ENVIRONMENT MINISTER

REF: BRATISLAVA 195

Classified By: CDA Keith A. Eddins, for reasons 1.4 b and d

¶1. (U) In response to allegations of corruption over the sale of CO2 permits to the U.S.-registered Interblue Group (reftel), Prime Minister Robert Fico called for the resignation of Environment Minister Jan Chrbel; President Gasparovic dismissed Chrbel on May 6. The Slovak National Party (SNS), the coalition partner heading the ministry, has said it may nominate a replacement as early as this week. In the interim, SNS Education Minister and Deputy PM Jan Mikolaj is overseeing the Ministry of Environment (MinEnv).

¶2. (U) The PM had asked Chrbel to publish the Interblue contract on April 25. Claiming Interblue would not allow publication, Chrbel offered to pass the deal to the government office (essentially the PM's office) for cancellation and return EUR 75 million in sale proceeds to the company from the Environmental Fund. Unsatisfied, Fico promptly demanded Chrbel's resignation because the minister had "failed politically" by not cancelling the contract himself. The PM was careful to note he was reserving judgment on the legality of the deal until he had a chance to check the facts.

¶3. (C) Opposition parties including SDKU and KDH have said that Chrbel's dismissal is not enough. They have continued to press for publication of the Interblue contract, believing the allegations of corruption could have wider legal implications for the government. Led by SDKU MP Pavol Freso, a delegation of seven opposition MPs conducted a fact-finding inquiry at the MinEnv on May 7. According to Freso, neither of the two MinEnv state secretaries appeared at the meeting. Instead, Freso said the delegation was directed to speak with Pavol Tehlar, the General Director of the Environmental Quality Division (Tehlar was reportedly one of the principal actors in the InterBlue contract; see reftel). Freso said the delegation was told that Chrbel had taken all documentation related to the Interblue deal with him upon dismissal and was planning to turn the documents over to his successor (a MinEnv spokesperson later denied the charge).

¶4. (C) Two SNS MPs on the Committee for Agriculture, Environment, and Nature Conservation, Jan Slaby and Anton Korba, have been widely mentioned as possible replacements for Chrbel. Whoever emerges will face considerable pressure to make the contract public given Fico's strong rhetoric in support of publication. Deputy PM Dusan Caplovic has said the new Environment Minister will need to publish the contract within two weeks of assuming the position or face dismissal.

¶5. (C) Asked whether Fico was trying to incite the SNS to leave the government, Marek Estok (Fico's foreign policy advisor) told the Charge May 8 that we should not read too

much into the recent dismissals. Fico is not, he said, trying to precipitate a coalition crisis or early elections. Instead, Estok said that Fico was using the very public CO2 brouhaha to remove a problematic minister.

¶6. (C) COMMENT: Chrabet is the third senior-level SNS official to be dismissed in the last month (the other two were Minister for Construction Marian Janusek and Peter Hajas, the CEO of SARIO, the national investment agency). Fico's actions follow strong European Commission focus on the case that brought down Janusek, and they have prompted widespread speculation here on the stability of the governing coalition.

Such speculation strikes us as premature. Fico has addressed only the most egregious cases, and no criminal investigations have been initiated against any of the corrupt officials. That said, we are pleased to see Chrabet go, given his role in several shady endeavors. END COMMENT.

EDDINS